



# Brownfields Cleanup Revolving Loan Fund Pilot

## *Battle Creek, MI*

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

**EPA's** Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

### BACKGROUND

Battle Creek (population 53,514) had several employers close, which, coupled with the poor economic climate of the period, resulted in a significant population decline between 1950 and 1980. The devastating effects of employment and population loss followed by industry and housing abandonment has crippled the economy of Battle Creek. Several of the plants that closed were located near the downtown and inner-city neighborhoods. Cleaning up and redeveloping these properties will provide the opportunity for accessible jobs near these inner-city neighborhoods. Although all of the properties within the City boundaries will be eligible for the BCRLF program, older industrial sites in low income areas will be given priority. These targeted neighborhoods are in the Community Development Block Grant low and moderate income areas and also are designated as distressed areas. These areas have lost more than 15 percent of their population between 1980 and 1990, have very low median family income with 29 percent of the families living below the poverty line. There is a 17 percent unemployment rate.

### BCRLF OBJECTIVES

Battle Creek's BCRLF will be used to further the City's Master Plan adopted in 1997 to ensure redevelopment

### PILOT SNAPSHOT



*Battle Creek, Michigan*

**Date of Announcement:**  
May 25, 1999

**Amount:** \$500,000

**BCRLF Target Area:**  
Properties throughout the City, with older industrial sites in the low income areas of downtown and the inner-city given priority

#### Contacts:

Battle Creek Planning  
Department  
(616) 966-3320

Region 5 Brownfields  
Coordinator  
(312) 886-7576

Visit the EPA Region 5 Brownfields web site at:  
**[www.epa.gov/R5Brownfields/](http://www.epa.gov/R5Brownfields/)**

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:  
**<http://www.epa.gov/brownfields/>**

of older industrial sites for land uses compatible with surrounding properties. It will also be used to further the goals of Battle Creek Unlimited, an economic development team working to establish a formal brownfields cleanup and redevelopment process. The BCRLF can significantly further the City's goal of providing the necessary tools and incentives to encourage private investment in brownfield redevelopment. The availability of this fund will fill a void in the existing menu of incentives by providing loans to private businesses. More than ten sites, have been identified as potential site/ borrowers.

## **FUND STRUCTURE AND OPERATIONS**

The City of Battle Creek will serve as lead agency and the City's Public Works Department will serve as site manager. The City will contract with Battle Creek Unlimited, a quasi-public, nonprofit agency, to serve as fund manager. Loans will have an adjustable interest rate and a \$4,000 application fee will be charged to cover administrative expenses.

## **LEVERAGING**

It is anticipated that Battle Creek's \$500,000 BCRLF award will be complemented by \$250,000 in City funds and \$250,000 from Battle Creek Unlimited. Other potential sources of supplementary funding include Clean Michigan Initiative funds, Michigan's Tax Increment Finance Authority, the Battle Creek Downtown Development Authority, the Battle Creek Investment Growth Fund, the Michigan Renaissance Fund, the Michigan Transportation Economic Development Fund, and the National Trust for Historic Places. In addition, successful redevelopment of brownfields will allow the Brownfield Redevelopment Authority to capture the increased tax revenue due to redevelopment of a site for the purposes of furthering environmental activity necessary for the redevelopment of contaminated sites. These captured dollars will be invested in the revolving loan fund to further capitalize the account.

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*Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.*

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